

### REMARKS

In the Office Action, the Examiner issued a final rejection of Claims 1-20, which were all of the then pending claims, under 35 U.S.C. 103 as being unpatentable over the prior art. Specifically, Claims 1, 2, 5, 7, 8, 11, 13, 14, 17, 19 and 20 were rejected as being unpatentable over U.S. Patent 5,351,302 (Leighton, et al.) in view of a document headed "eOriginal Inc. Announces First Totally Electronic Consumer Mortgage Closings..." (eOriginal). Claims 3, 4, 9, 10, 15 and 16 were rejected as being unpatentable over Leighton, et al. and eOriginal and further in view of U.S. Patent 5,850,442 (Muftic). Claims 6, 12 and 18 were rejected as being unpatentable over Leighton, et al. and eOriginal and further in view of U.S. Patent 6,185,678 (Arbaugh, et al.).

Applicants herein ask that independent Claims 1, 7 and 13 be amended to better describe the subject matters of these claims. New Claims 21 and 22, which are dependent from Claim 1 are being added to describe preferred features of the invention. Claims 12 and 18 are being cancelled to reduce the number of issues in this case.

For the reasons discussed below, Claims 1-11, 13-17 and 19-22 patentably distinguish over the prior art and are allowable. The Examiner is thus asked to enter this Amendment, to reconsider and to withdraw the rejections of Claims 1-11, 13-17, 19 and 20 under 35 U.S.C. 103, and to allow those claims and new Claims 21 and 22.

The pending claims patentably distinguish over the prior art because the prior art does not disclose or suggest the functions of the emitter as described in independent Claims 1, 7 and 13. In order to best understand this, it may be helpful to review briefly the present invention and the prior art.

This invention relates to methods and systems to establish and to manage electronic titles for financial instruments. More specifically, the present invention does this by a unique set of activities by three parties - the owner, the transferee (such as a buyer), and a third party emitter, which actually issues the titles. In accordance with this invention, the third party emitter issues the title to the owner. When issued, the title includes (i) a message describing the title and how to contact the emitter, and (ii) a digital signature of the emitter.

When the owner wants to transfer the title to another person, the owner appends to the title a public part of a signature scheme of that other person, and signs the title using a public signature scheme of the owner. Preferably, the owner also adds to the title a number indicating the number of successive owners of the title, and the owner then sends the title, as modified, back to the emitter.

As mentioned above, the prior art does not disclose the above-described role of the emitter.

Leighton, et al. describes a procedure to prevent counterfeiting or otherwise illegal use of documents. In this procedure, a title is provided with an identifier uniquely associated with the personal or real property that is the subject of the title, and information directly or indirectly identifying the owner of the property.

As the Examiner recognized in the Office Action, Leighton, et al. does not disclose a third party emitter issuing a title for a financial instrument. In order to overcome this deficiency of Leighton, et al. as a reference, the Examiner relies on eOriginal for its disclosure of an entity that electronically issues a mortgage form.

There are, however, a number of important differences between the mortgage issuer described in eOriginal and the emitter of the present invention. For instance, with

the present invention, when the title is issued, the emitter includes its own digital signature. In the procedure described in eOriginal, in contrast, the mortgage documents are signed by the customer, but not by the issuer. Instead, the documents are delivered to the customers as "traditional forms."

Independent Claims 1, 7 and 13 clearly describe the above-discussed feature of this invention. In particular, each of these claims describes the feature that a third party emitter issues a title for a financial instrument, the title including (i) a message describing the title and how to contact the emitter, and (ii) a digital signature of the emitter. Each of these claims also describes the additional feature that a different entity - the owner - transfers ownership of the financial instrument to another person by appending to the title a public part of the signature scheme of that other person, and signs the title using a public signature scheme of the owner.

The above-discussed feature - that the title is issued with the digital signature of the emitter - is of utility because it helps to authenticate the emitter. This, in turn, is useful because it is the emitter who is asked by potential purchasers to authenticate the title of the financial instrument.


The other references of record have been reviewed, and these other references, whether considered individually or in combination, also fail to disclose or suggest this aspect of the present invention. For example Muffic was cited for its disclosure of sending a document, with the public signature scheme of one person, to another person. Arbaugh, et al. was cited for disclosing a specific cryptographic generator. Neither of these references, nor any of the other references of record, describe or suggest issuing titles by a third party emitter in the manner described in Claims 1, 7 and 13.

Because of the above-discussed differences between Claims 1, 7 and 13 and the prior art, and because of the advantages associated with those differences, these claims patentably distinguish over the prior art and are allowable. Claims 2-6 and 19-22 are dependent from Claim 1 and are allowable therewith. Similarly, Claims 8-11 are dependent from Claim 7 and are allowable therewith; and Claims 14-17 are dependent from, and are allowable with, Claim 13.

The amendment requested herein to Claims 1, 7 and 13 only elaborate on features already described in the claims. In particular, each of these claims already describes the third party emitter, and this amendment describes further tasks performed by that emitter. In addition, the last Office Action was the first time that the Examiner cited the eOriginal document, and it is believed that Applicants should have an opportunity to respond to the use of this reference. Accordingly, it is believed that entry of this Amendment is appropriate, and such entry is respectfully requested.

For the reasons explained above, the Examiner is asked to enter this Amendment, to reconsider and to withdraw the rejections of Claims 1-11, 13-17, 19 and 20, and to allow these claims and new Claims 21 and 22. If the Examiner believes that a telephone conference with Applicants' Attorneys would be advantageous to the disposition of this case, the Examiner is requested to telephone the undersigned.

Respectfully Submitted,

  
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